



Congressman Steve Israel
presents

Building Long Island's Advanced Energy Economy

***How the Economic Recovery
Bill Can Help***



February 23, 2009





Congress of the United States
House of Representatives

STEVE ISRAEL
Second District, New York

WASHINGTON OFFICE:
432 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
PHONE: (202) 225-3335
FAX: (202) 225-4669

DISTRICT OFFICE:
150 MOTOR PARKWAY, SUITE 108
HAUPPAUGE, NY 11788
PHONE: (631) 951-2210
PHONE: (516) 505-1448
FAX: (631) 951-3308

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Dear Friends:

Welcome and thank you for joining me today as we discuss how to build Long Island's advanced energy economy and how the energy provisions in the American Recovery and Reinvestment Act can help.

Over the past few years, I've made ending our dependence on foreign oil one of my top priorities in Congress. I believe that our oil dependency is at the root of almost every threat we face today, which is why I developed a Next Generation Energy Security Initiative and a Task Force that now has more than 1000 members. I have had an opportunity to meet with many of Long Island's clean energy advocates and business owners and I know that here on Long Island we have what it takes to change our nation's energy industry for good.

Until now, we have had very little federal funding available to achieve our grand green ideas. Now, thanks to the Obama Administration and the American Recovery and Reinvestment Act, we have a new pool of federal funds to create clean energy jobs and help our nation leap frog other countries to lead the way in advanced energy markets. As a member of the Appropriations Committee, I fought for the inclusion of more than \$90 billion in investments and tax credits for green projects in the economic recovery bill. I want Long Island to be first in line to access these funds so that we can jump-start the transition to a clean energy economy and create new green jobs.

The first step is learning exactly what funding opportunities and tax incentives the newly enacted economic recovery bill includes. That's why I have compiled this informational packet with descriptions of all of the energy related investment and tax provisions in the stimulus package. Additionally, I included information on how the funding will be disbursed by the relevant agencies. With President Obama signing the bill into law last week, federal agencies are finalizing plans to distribute funding.

New York State is expected to receive more than \$42 billion in recovery package funding, and I want to work with you to ensure Long Islands gets its fair share. I strongly believe that New York and Long Island can become out nation's center for advanced energy progress, but we need to take advantage of this rare opportunity.

Please do not hesitate to contact my office throughout this process. I want to ensure that Long Island takes a leap forward in strengthening its alternative energy economy with the help of this recovery legislation.

Sincerely,

Steve Israel
Member of Congress

Inside this booklet...

Points of Interest:

- An Overview of the American Recovery and Reinvestment Act
 - Energy Efficiency Programs
 - Loan Guarantees
 - Research Development and Demonstration
 - Green Homes and Buildings
- U.S. Energy Transmission and Infrastructure
 - Tax Incentives
- Energy Efficient Transportation





The American Recovery and Reinvestment Act Overview

The bill provides a total of \$463 billion in spending for transportation and infrastructure upgrades and construction, health care programs, education assistance, housing assistance and energy efficiency upgrades, and provides \$326 billion in personal and business tax breaks and tax provisions affecting payments to the states — for total of \$789 billion in spending and tax cuts.

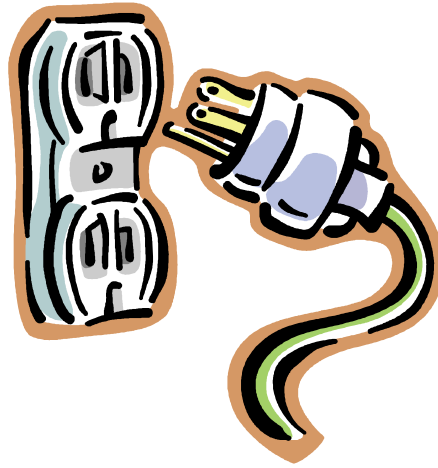
Energy Investments

This recovery package includes approximately \$70 billion in energy and energy-related investments to strengthen and build a robust green energy economy for the United States. For instance, the measure provides \$11 billion for electrical grid projects. Of that total, \$4.5 billion is for implementing "smart grid" technologies, which would sense, collect, and monitor data from a grid, provide real-time, two-way communication to help monitor or manage the grid, and provide real-time analysis and event prediction based on data that would be used to improve the reliability, quality, and performance of the electricity grid.

Additionally, the bill allocates \$6 billion for the Renewable Energy and Electric Power Transmission Loan Guarantee Program, which provides loan guarantees to private entities to fund alternative energy research. The funds will be used for biofuel projects that use technologies that are deemed commercially viable and produce transportation fuels that will reduce greenhouse gas emissions.

Energy Tax Incentives

The American Recovery and Reinvestment Act includes \$20 billion in tax incentives to spur investment in renewable and alternative energy. A critical component is an extension for three years of a tax credit for producing energy from renewable sources. At a cost of \$4.3 billion, the bill extends and modifies a credit for energy efficiency improvements in homes, increasing the credit to offset 30%, rather than 10%, of the cost of such improvements for 2009 and 2010, capped at \$1,500 per home. The legislation provides a special credit for energy-related research expenses through 2010, and allows for the issuance of additional energy-related bonds, including \$2.4 billion in energy conservation bonds and \$1.6 billion in clean renewable energy bonds.



ENERGY EFFICIENCY PROGRAMS

Energy Resources for Statewide Efficiency Programs

The recovery package includes \$3.1 billion for the Department of Energy's State Energy Program (SEP), which provides grants and funding to state energy offices for energy efficiency and renewable energy programs conditioned on state Governors' assurances regarding regulatory policies, building code requirements and the prioritization of existing state programs.

New York State Energy Research and Development Authority (NYSERDA) is expected to receive \$126 million to address their energy priorities and program funding to adopt emerging renewable energy and energy efficiency technologies. The recovery package allows NYSERDA to direct this funding.

Diesel Emissions Reduction Program

The recovery bill provides \$300 million for grants to state and local governments to reduce diesel emissions. This funding can be directed towards projects that reduce diesel emissions, benefit public health and reduce global warming. This includes technologies to retrofit emission exhaust systems on school buses, replace engines and vehicles, and the establish anti-idling programs.

This \$300 million will be distributed to states via an existing formula. Since this provision adds funding to an existing program, New York State will continue to manage its program through the NYS Department of Environmental Conservation. New York State is expected to receive \$30 million for this program.

Energy Efficient Appliance Rebate Programs

There is \$300 million included in this legislation for the Energy Star Program and for matching grants for state rebates to consumers for buying energy efficient Energy Star products to replace old appliances. This would add funding to an existing rebate program for the purchase of efficient appliances. Currently, 15 states have such programs (including New York) which provide rebates to consumers who purchase energy efficient "energy star" appliances to replace used, less efficient appliances, which must be relinquished upon purchasing the new appliances.

This funding will be distributed to states by the Department of Energy. No formula has been released for this process by the DoE at this point.

Energy Efficiency & Conservation Grant Program

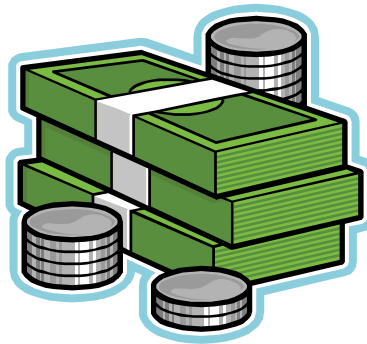
The stimulus bill provides \$3.2 billion to assist state and local governments in implementing energy efficiency and conservation programs along with strategies to reduce fossil fuel emissions and reduce the total energy use.

Activities eligible to receive funding include:

- Conducting residential/commercial building energy audits
- Establishing financial incentive programs for energy efficiency improvements
- Performing energy efficiency retrofits for non-profit organizations
- Developing and implementing programs to conserve energy used in transportation
- Developing and implementing building codes and inspection services to promote building energy efficiency
- Installing light emitting diodes (LEDs)
- Installing onsite renewable energy technology that generates electricity from renewable sources

The \$3.2 billion allocated for this program will be divided up so that \$2.8 billion will be awarded based on an existing formula and \$400 million will be awarded in a competitive grant program.

For the formula funding, New York State is estimated to receive \$31 million. For the \$400 million in competitive grant funding, the Department of Energy will provide specific grant application information and will send out a formal Funding Opportunity request.



LOAN GUARANTEES

Last week, Energy Secretary Steven Chu announced a sweeping reorganization of the Department of Energy's dispersal of direct loans and loan guarantees. By cutting paperwork, processing applications on a rolling basis and drawing on lessons from the private sector and other agencies, the Department of Energy will be in a position to:

- Begin offering loan guarantees under the Department's previous loan guarantee program by late April or early May. These offers may still require recipients to secure their own share of the financing – similar to earnest money in a home mortgage – or meet other conditions prior to closing, but DoE will have completed its review.
- Begin offering loan guarantees under the new Recovery legislation by early summer. Again, these offers may still require recipients to secure their own share of the financing or meet other conditions prior to closing.

Since being sworn in, Secretary Chu has been personally reviewing the Department's process for issuing direct loans, loan guarantees and other funding to make it faster, simpler and more accountable. Secretary Chu's reforms to these programs include:

- Rolling appraisals of applications – instead of delaying the consideration of an application until a far off deadline, the Department will review them when they are submitted so that decisions can be made more quickly.
- Streamlining and simplifying loan application forms and other paperwork.
- Accelerated loan underwriting by using outside partners.
- In cases where up-front fees may deter companies from applying, the Department will offer applicants the opportunity to pay the fees as part of the loan at closing.
- Further reduction of upfront costs by restructuring credit subsidies so they are paid over the life of the loan.
- Additional staff and resources to process applications
- Working with the industry to attract good projects into the loan guarantee program and helping them navigate the application process.
- Creating a website that will provide increased transparency throughout the process. The website will display results, as well as information to help applicants through the process.

Innovative Technology and Loan Guarantee Program

The economic recovery legislation contains \$6 billion for this program which supports commercial use of advanced technologies to lower and avoid air pollutants and greenhouse gases. This program is also referred to as the Renewable Electric Power Transmission Loan Guarantee Program. Many people misinterpret the \$6 billion as the amount being loaned to build capacity, but the \$6 billion is only to cover the government's losses on the loan guarantees. Losses on federal loan guarantees typically run between 3% and 12%, meaning that the amount being unleashed by the stimulus is more like \$60 billion.

The Department of Energy will begin offering these in late April and early May. The DoE will provide a notification for application requirements in March.





RESEARCH, DEVELOPMENT AND DEMONSTRATION

Advanced Research Projects Agency-Energy

The stimulus package includes \$400 million for the Advanced Research Projects Agency-Energy (ARPA-E). As authorized, no more than 50% of funding for ARPA-E may be used for coordination with nongovernmental entities for technology demonstration and research applications to facilitate technology transfer. At least 2.5% must be used for technology transfer and outreach activities. No funds may be used for construction of new buildings or facilities.

The Department of Energy will administer the \$400 million included in this bill. Since this program was authorized recently, no appropriated funding has been enacted into law. Therefore, the DoE is now developing a plan for implementing the ARPA-E stimulus funds.

The details of this application process will be released in the coming months.

Energy Efficiency & Renewable Energy Research

The American Recovery and Reinvestment Act provides \$2.5 billion for Energy Department energy efficiency and renewable energy research, development, demonstration, and deployment projects.

Of that amount, \$800 million would be used for biomass energy technology development, and \$400 million would be used for geothermal projects. Biomass technologies include growing plants to be used to produce fuel (biofuels) and using biodegradable waste as fuel. Geothermal energy is derived from capturing heat produced naturally underground.

These funds will be awarded on a competitive basis to universities, companies and national laboratories. The Department of Energy has not released the specific timeline or requirements for this grant application process, but will be doing so soon.

Department of Energy- Office of Science

This bill includes \$1.6 billion for basic research into the physical sciences including high-energy physics, nuclear physics, fusion energy sciences and improvements to DOE laboratories and scientific facilities.

The Department of Energy has the authority to direct this funding within the DoE Office of Science. The Department is currently developing its plan for these discretionary funds.



GREEN HOMES & BUILDINGS

Weatherization Assistance Program

The stimulus package sets aside \$5 billion for the weatherization of low-income family homes to reduce their energy costs. This funding will be directed to states for disbursement. The measure also raises the eligibility limit to 200% of the federal poverty line (from 150%) and increases the maximum amount allowed per residence to \$6,500, from \$2,500.

In New York State, the Division of Housing and Community Renewal manages this program and is estimated to receive \$404 million to assist more families reduce their home heating costs.

Department of Defense Facilities & Research

The recovery bill includes \$3.6 billion for the Department of Defense energy efficiency projects and modernization of facilities. In addition to this funding, the bill provides \$75 million for Defense-Wide funding of research, development, test and evaluation projects, including pilot projects, demonstrations and energy efficiency manufacturing enhancements.

The Department of Defense will direct this funding for projects, but they have no released specific information about their plan for disbursing funds.

General Services Administration Buildings

This legislation contains \$4.5 billion for GSA facilities to be retrofitted and restructured into “High Performance Green Buildings.” These renovations would include installation of photovoltaic cells (solar panels) on rooftops, lighting systems with timers and occupancy sensors, and more energy-efficient mechanical systems.

This funding will be directed to the GSA and they will have discretionary authority over spending the \$4.5 billion.

Public Schools and Higher Education Facilities

The stimulus package provides \$53.6 billion for a state fiscal stabilization fund. Of that total, \$39.5 billion would be used to enhance local school budgets. States would be permitted to use funding out of that total for school modernization projects. This could provide for the modernization of schools, renovation or repair of public school facilities and public institutions of higher education facilities, including modernization, renovation, and repairs that are consistent with a recognized green building rating system.

This funding is directed to the states from the Department of Education. Its primary purpose is for education programs, but if the Governor chooses to he is permitted to utilize a portion for school construction costs. This funding will be allocated by the Governor.

Section 8 HUD Housing Retrofits

This legislation provides \$2.25 billion in energy retrofit investment grants and loans for owners who receive project-based assistance for the Section 8 Project-based program. Of this amount, \$250 million will support a program to upgrade HUD-sponsored low-income housing to increase energy efficiency.

Project-based Section 8 vouchers are a component of a housing choice voucher program operated by local housing agencies. An agency can attach up to 20% of its voucher assistance to specific housing units if the owner agrees to either rehabilitate or construct the units, or the owner agrees to set-aside a portion of the units in an existing development.

The Department of Housing and Urban Development will manage this funding, but they have not released the specific details for moving forward at this point.

Public Housing Capital Fund

\$1 billion is included in this bill for the Public Housing Capital Fund to support energy efficiency improvements including investments that leverage private sector funding or financing for renovations and energy conservation retrofit investments.

This funding would be administered through a new competitive grant process. The new process would provide funding to projects that rehabilitate units to improve energy efficiency, that increase affordable housing projects that are ready-to-go, and address the housing needs of senior citizens and persons with disabilities. Projects that can award contracts, based on bids, within 120 days from the date that funds are available to the recipients would be given priority. No specific timeline or information has been released by HUD.

HOME Investment Partnerships Program

The recovery package provides \$2.25 billion for the HOME Investment Partnerships Program for helping to build and rehabilitate low-income housing, including the use of green technologies.

HOME is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households. Projects that can award contracts, based on bids, within 120 days from the date that funds are available to the recipients would be given priority. HUD has not released any further information on this funding process.

Green Job Training

The stimulus bill provides \$500 million for research, labor exchange and job training projects to prepare workers for careers in energy efficiency and renewable energy industries.

This funding will be directed by the Department of Labor in a competitive grant program. The process and requirement for applying have not been released by the Department of Labor.

Native American Housing Block Grants

\$510 million is included to rehabilitate and improve energy efficiency at some of the 42,000 housing units maintained by Native American housing programs. Half of the funding will be distributed by formula and half will be competitively awarded. The Department of Housing and Urban Development will announce a grant application process for the 50% of grants to be provided in a competitive process.



U.S. ENERGY TRANSMISSION AND INFRASTRUCTURE

Smart Grid Investment Program

The bill provides \$4.5 billion for research, development, pilot projects and federal matching funds for the Smart Grid Investment Program to modernize the electricity grid. These funds are provided for implementing "smart grid" technologies, which would sense, collect, and monitor data from a grid, provide real-time, two-way communication to help monitor or manage the grid, and provide real-time analysis and event prediction based on data that would be used to improve the reliability, quality, and performance of the electricity grid.

The Smart Grid Investment Program provides funds for regional demonstration projects, designed to tailor transmission technologies for the specific needs of different geographical regions, and provides matching grants to states to implement smart grid demonstration projects.

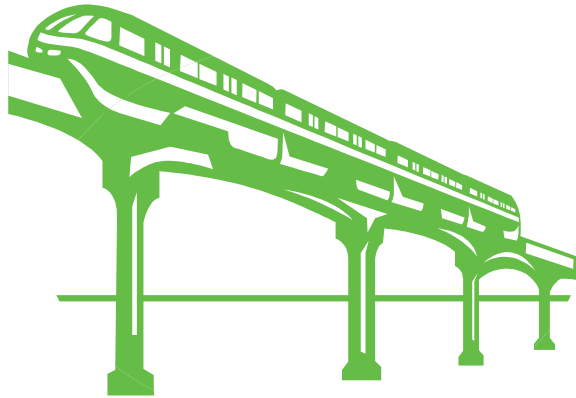
The Department of Energy will manage this funding, but has not indicated how it will balance regional demonstration project applications in order to balance the funding recipients.

Power Administration Borrowing Authority

The recovery legislation appropriates \$3.25 billion in increased borrowing authority for the Western Area Power Administration, which transmits hydroelectric power in 15 western states. The funds would be used to fund electrical transmission projects.

The measure provides \$3.25 billion in increased borrowing authority for the Bonneville Power Administration, which transmits electricity in the Pacific Northwest, for renewable energy projects.

The Department of Energy has not provided specific information on the process for funding transmission projects in this program.



TAX INCENTIVES

Advanced Energy Investment Credit

The package establishes a new 30% investment tax credit for facilities engaged in the manufacture of advanced energy property. Credits are available only for projects certified by the Secretary of the Treasury, in consultation with the Secretary of Energy, through a competitive bidding process. For this credit, advanced energy property includes technology for the production of renewable energy, energy storage, energy conservation, efficient transmission and distribution of electricity and carbon capture and sequestration.

The law directs the Secretary of the Treasury to establish a certification program no later than 180 days after the date of the enactment of this bill and may allocate \$2.3 billion in credits.

High-Speed Rail Exempt Facility Bonds

Previously, states were allowed to issue private activity bonds for high-speed rail facilities. According to previous guidelines, a high-speed rail facility is a facility for the transportation of passengers between metropolitan areas using vehicles that are reasonably expected to operate at speeds in excess of 150 miles per hour between scheduled stops.

This recovery bill allows these bonds to be used to develop rail facilities that are used by trains that are capable of attaining speeds in excess of 150 miles per hour.

Qualified School Construction Bonds

The bill creates a new category of tax credit bonds for the construction, rehabilitation, or repair of public school facilities or for the acquisition of land on which a public school facility will be constructed.

There is a national limitation on the amount of qualified school construction bonds that may be issued by state and local governments of \$22 billion (\$11 billion allocated initially in 2009 and the remainder allocated in 2010).

Renewable Energy Production Tax Credit

The bill creates a long-term extension and modification of the renewable energy production tax credit. The recovery package extends the placed-in-service date for wind facilities for three years (through December 31, 2012). It also extends the placed-in-service date for three years (through December 31, 2013) for certain qualifying facilities such as closed-loop biomass, open-loop biomass, geothermal, small irrigation, hydropower, landfill gas, waste-to-energy and marine renewable facilities.

Ability to Claim the Investment Tax Credit in Lieu of the Production Tax Credit

Prior to the stimulus package, facilities that produced solar power electricity were eligible to take a 30% investment tax credit in the year that the facility was placed in service. Facilities that produce electricity from wind, close-loop biomass, open-loop biomass, geothermal, small irrigation, hydropower, landfill gas, waste-to-energy and marine renewable facilities are eligible for a production tax credit. The production tax credit is payable over a ten-year period.

Because of current market conditions, it is difficult for many renewable projects to find financing due to the uncertain future tax positions of potential investors in these projects. This bill allows facilities to elect to claim the investment tax credit in lieu of the production tax credit.

Repeal Subsidized Energy Financing Limitation on the Investment Tax Credit

Before the enactment of the recovery legislation, the investment tax credit had to be reduced if the property qualifying for the investment tax credit was also financed with industrial development bonds or through any other federal, state or local subsidized financing program.

This bill repeals this subsidized energy financing limitation on the investment tax credit in order to allow businesses and individuals to qualify for the full amount of the investment tax credit even if such property is financed with industrial development bonds or through any other subsidized energy financing.

Removal of Limitation on Certain Energy Credits

Before the recovery package, businesses were only able to claim 30% tax credit for qualified small wind energy property (capped at \$4,000). Individuals were allowed to claim a 30% tax credit for qualified solar water heating property (capped at \$2,000), qualified small wind energy property (capped at \$500 per kilowatt of capacity up to \$4,000), and qualified geothermal heat pumps (capped at \$2,000).

The stimulus repeals the individual dollar caps. As a result, each of these properties will be eligible for an uncapped 30% credit.

Clean Renewable Energy Bonds

The bill authorizes an additional \$1.6 billion of new clean renewable energy bonds to finance facilities that generate electricity from the following resources: wind, closed-loop biomass, open-loop biomass, geothermal, small irrigation, hydropower, landfill gas, marine renewable and trash combustion facilities. This \$1.6 billion authorization will be subdivided into thirds as follows:

- 1/3 for qualifying projects of state and local governments
- 1/3 for qualifying projects of public power providers
- 1/3 for qualifying projects of electric cooperatives

Qualified Energy Conservation Bonds

The bill authorizes an additional \$2.4 billion in qualified energy conservation bonds to finance state and municipal government programs and initiatives designed to reduce greenhouse gas emissions.

The recovery bill clarifies that qualifying energy conservation bonds may be issued to make loans and grants for capital expenditures to implement green community programs. The bill also clarifies that qualified energy conservation bonds may be used for programs which utilities provide rate-payers with energy-efficient property and recoup the costs of that property over an extended period of time.

Tax Credits for Energy Efficient Improvements to Existing Homes

The bill extends the tax credits for improvements to energy-efficient existing homes through 2010. Under previous law, individuals allowed a tax credit equal to 10% of the amount paid or incurred by the taxpayer for qualified energy efficiency improvements installed during the taxable year. This tax credit was capped at \$50 for any advanced main air circulating fan, \$150 for any qualified natural gas, propane, oil furnace or hot water boiler, and \$300 for any item of energy-efficient building property.

For 2009 and 2010, the bill increases the amount of the tax credit to 30% of the amount paid or incurred by the taxpayer for qualified energy efficiency improvements during the taxable year. The bill also eliminates the property-by-property dollar caps on this tax credit and provides an aggregate cap of \$1,500 on all qualifying property for the credit. The bill updates the energy-efficiency standards of the property qualifying for the credit.

Tax Credits for Alternative Fueling Property

The alternative fueling property credit provides a tax credit to businesses that install alternative fuel pumps, such as fuel pumps that dispense E85 fuel, electricity, hydrogen or natural gas. For 2009 and 2010, the bill increases the 30% alternative fueling property credit for businesses (capped at \$30,000) to 50% (capped at \$50,000).

Hydrogen fueling pumps would remain at the 30% credit percentage; however, the cap for hydrogen fueling pumps will be increased to \$200,000. In addition, the bill increases the 30% alternative refueling property credit for individuals (capped at \$1,000) to 50% (capped at \$2,000).

Plug-in Electric Drive Vehicle Credit

The bill modifies and increases a tax credit passed into law at the end of the last Congress for each qualified plug-in electric drive vehicle placed in service during the taxable year. The base amount of the credit is \$2,500. If the qualified vehicle draws propulsion from a battery with at least 5 kilowatt hours of capacity, the credit is increased by \$417, plus another \$417 for each kilowatt hour of battery capacity in excess of 5 kilowatt hours up to 16 kilowatt hours.

Taxpayers may claim the full amount of the allowable credit up to the end of the first calendar quarter in which the manufacturer records its 200,000th sale of a plug-in electric drive vehicle. The credit is reduced to following calendar quarters. The credit is allowed against the alternative minimum tax.

Addition of Permanent Sequestration Requirement to CO₂ Capture Tax Credit

Last year, Congress provided a \$10 credit per ton for the first 75 million metric tons of carbon dioxide captured and transported from an industrial source for use in enhanced oil recovery, and \$20 credit per ton for carbon dioxide captured and transported from an industrial source for permanent storage in a geologic formation.

Facilities were required to capture at least 500,000 metric tons of carbon dioxide per year to qualify. This recovery package requires that any taxpayer claiming the \$10 credit per ton for carbon dioxide captured and transported for use in enhanced oil recovery must also ensure that such carbon dioxide is permanently stored in a geologic formation.

Parity for Transit Benefits

Prior to the recovery package, the law provided a tax-free fringe benefit employers could provide to employees for transit and parking. Those benefits were set at different dollar amounts.

However, this bill changes that and equalizes the tax-free benefit employers can provide for transit and parking. The stimulus package sets both parking and transit benefits at \$230 a month for 2009, indexes them equally for 2010, and clarifies that certain transit benefits apply to federal employees.

Treasury Department Energy Grants in Lieu of Tax Credits

Previously, taxpayers were only allowed to claim a production tax credit for electricity produced by certain renewable energy facilities and an investment tax credit for certain renewable energy property. These tax credits helped attract private capital to invest in renewable energy projects. Current economic conditions have severely undermined the effectiveness of these tax credits.

As a result, this bill would allow taxpayers to receive a grant from the Treasury Department in lieu of tax credits. This grant will operate like the previous investment tax credit. The Treasury Department will issue a grant in an amount equal to 30% of the cost of the renewable energy facility within sixty days of the facility being placed in service or if later within sixty days of receiving an application for such a grant.





ENERGY EFFICIENT TRANSPORTATION

High-Speed Rail and Intercity Passenger Rail Grants

The recovery package includes \$8 billion to advance the development of high speed rail and to improve the intercity passenger rail service in corridors across the nation. This funding will provide capital assistance for high-speed rail corridors and Intercity Passenger Rail Service.

The Secretary of Transportation will have authority over this funding. The specific process or formula has not been released and is currently being developed.

Mass Transit Programs

The bill provides \$6.9 billion in transit capital assistance grants, of which \$5.4 billion would be set aside for grants to urban areas and \$600 million for rural areas. Grant funds would be distributed using the formulas for the urban and rural grant programs. The measure allows grants to have a 100% federal share at the request of a grant recipient and requires recipients to enter into contracts to use at least 50% of funds within 180 days of the funds being apportioned. These funds would be used for purchasing buses and related equipment. Funds would be allocated within seven days of enactment.

Also, \$1.5 billion is provided for state and local governments and transit agencies for capital investments including passenger and freight rail transportation projects.

Of this \$8.4 billion for mass transit programs, New York is estimated to receive \$1.245 billion.

Plug-in Electric Vehicle Program

The recovery package contains \$400 million for the Plug-in Electric Vehicle Program which provides grants to states and local governments and others to carry out projects to encourage the use of plug-in electric drive vehicles. The projects would include construction of electrical systems that vessels and vehicles could use for power instead of running onboard generators.

This is a new competitive grant program and the Department of Energy has not released guidelines for applications at this point.

Alternative Fueled Vehicle Pilot Grant Program

The stimulus bill includes \$300 million for assistance to state and local governments to acquire efficient alternative fuel vehicles. The Department of Energy will distribute these grants through its Clean Cities Program to state and local governments, metropolitan transportation authorities, air pollution control districts and appropriate private entities to be used to purchase and demonstrate alternatively vehicles that utilize fuel cell, electric, or hybrid drive system technologies.

The Department of Energy has not specified the application process for these grants but will provide that information in the coming weeks.

An Efficient GSA Fleet

This law provides \$300 million for the GSA Motor Vehicle Acquisition and Motor Vehicle Leasing Program to replace the federal fleet with more efficient vehicles.

This funding will be directed to the GSA to spend on vehicles around the country at its discretion while complying with the efficiency specifications.

Advanced Battery Grants Program

This bill includes \$2 billion for grants to assist U.S. companies in the manufacturing of advanced battery systems and components, including funding awards to manufacturers of advanced battery systems and vehicle batteries including advanced lithium ion batteries, hybrid electrical systems, component manufacturers, and software designers. This program is intended to incentivize the domestic manufacturing of advanced batteries in order to build a globally competitive battery manufacturing workforce.

The Department of Energy has not announced the application process for this grant program or any of the requirements. Since this is a new grant program, the DoE is developing the entire process now.

